GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1447
ANSWERED ON:11.03.2005
PERCENTAGE OF SUBSIDY REACHING THE POOR
Chinta Mohan Dr. ;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of FINANCE be pleased to state:

(a) whether Union Government have made any assessment of impact of subsidy on the poor;

(b) if so, the details of findings therefrom;

(c) whether any action has been taken by the Government to bring about improvement in the extent and quantum of subsidy reaching the poor section of the people;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

MINISTER OF STATE IN THE MINISTRY FINANCE (SHRI S.S. PALANIMANICKAM)

(a) & (b): Periodic assessment of impact of various schemes on the beneficiaries, including poor, are made through Government organisations like the Programme Evaluation Organisation (PEO), Planning Commission, expert bodies and research/ academic institutes. Reports of the assessment of impact by various agencies indicate strengths and weaknesses in the design, delivery and impact of the programmes. Expenditure Reforms Commission (ERC) reviewed the subsidy regimes in detail and recommended changes. The Report `Central Government subsidies in India` presented to Parliament on December 23, 2004 contains some important findings of the impact assessment studies.

(c), (d) & (e): Based on the suggestions contained in the studies and recommendations of the expert bodies like ERC, Government has been restructuring the system of subsidies on food, fertilizer and petroleum. The Targeted Public Distribution System operational since 1997 and changes in the Retention Price Scheme for fertilizers based on ERC`s recommendations are some of the actions taken by Government to bring about improvement in the extent and quantum of subsidy reaching the poor. Government is committed to achieving the National Common Minimum Programme objective of targeting subsidies sharply at the poorer sections of the society.